

PUBLIC DISCLOSURE

JUNE 21, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

PARK WEST BANK AND TRUST COMPANY

225 MAIN STREET
WEST SPRINGFIELD, MA 01090

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **PARK WEST BANK AND TRUST COMPANY** prepared by the Massachusetts Division of Banks, the institution's supervisory agency, as of **JUNE 21, 2001**. The Division evaluates performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory"

The bank's overall Satisfactory rating was based on the three performance criteria of the CRA Large Institution Examination Procedures: the Lending Test, the Investment Test, and the Service Test. The examination covers the period January 1, 2000 through May 31, 2001. The bank's performance in each of these areas is summarized below.

Ratings for each of the three tests are identified on page 3. Park West's lending levels reflect an adequate responsiveness to the credit needs of its assessment area. The bank originated 81.1 percent of its HMDA-reportable loans as well as 95.3 percent of its small business loans within its assessment area. The geographic distribution of HMDA-reportable loans reflects a marginally adequate penetration of census tracts of different income levels throughout the assessment area. Based on the products reviewed, the lending distribution of residential loans by borrower income level demonstrates a weak penetration among borrowers of different income levels, especially in comparison to the aggregate and the demographics of the assessment area. A review of the bank's lending to small businesses and the origination of small business loans indicates a good level of performance. Park West has also achieved a good level of community development lending for an institution of its size and resources when considering the dollar volume of the three loans originated. The bank also makes use of innovative and flexible-lending practices to better serve the assessment area's credit needs, however, applications from low and moderate-income individuals are minimal. Overall, the bank's lending performance receives a rating of satisfactory.

The bank has made a marginally adequate level of qualified community development investments within the assessment area. Although not particularly innovative or complex, the level of grants made to organizations that serve low and moderate-income individuals reflects an adequate responsiveness to local credit and economic development needs. Therefore, the bank's investment performance is marginally satisfactory.

Park West's delivery systems are readily accessible to all portions of the assessment area. The bank's services are designed to meet the needs of the assessment area, with specific services benefiting low and moderate-income individuals. Bank personnel meet with local community organizations to discuss the credit needs of the community, and donate time and expertise through their volunteer efforts in a variety of public service, charitable, and youth organizations, including those that serve low and moderate-income individuals within the assessment area. Therefore, the bank's service activities receive a rating of satisfactory.

LENDING, INVESTMENT, AND SERVICE TEST TABLE

The following table indicates the performance level of **PARK WEST BANK AND TRUST, West Springfield, MASSACHUSETTS**, with respect to the lending, investment, and service tests.

PERFORMANCE TESTS Park West Bank and Trust Company			
Performance Levels	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Satisfactory	X	X	X
Needs to Improve			
Substantial Non-Compliance			

*Note: The Lending Test is weighed more heavily than the Service and Investment Tests when arriving at an overall rating.

DESCRIPTION OF INSTITUTION

Park West Bank and Trust Company (Park West) is a state-chartered commercial bank. The bank is a subsidiary of West Bank Corporation along with Cargill Bank; a Connecticut- chartered savings and loan association. Park West has three subsidiaries: Park West Securities Corporation, which holds investments of the bank; P.W.B. &T Inc., which holds bank owned property and Park West Real Estate Investment Trust. As of its March 31, 2001, FDIC Quarterly Call Report, Park West had \$409,416,000 in total assets. Of these assets, approximately \$317,513,000 or 77.6 percent were in the form of loans.

The composition of the bank's loan portfolio consists of residential mortgage loans, commercial real estate loans, commercial loans, construction loans, home improvement loans and a variety of consumer loans. Refer to the following table for the distribution of the bank's loan portfolio.

Loan Portfolio Composition

Loan Type	Amount (000s)	Percent
One to Four-Family Residential Mortgages	\$154,669	48.7
Commercial and Industrial	\$56,368	17.8
Commercial Real Estate	\$56,024	17.6
Consumer Loans	\$28,524	9.0
Construction and Land Development	\$7,006	2.2
Equity Lines of Credit	\$7,137	2.2
All Other Loans*	\$7,785	2.5
Total Gross Loans	\$317,513	100.0

Source: March 31, 2001 Consolidated Report of Condition.

*All other loans include: Farmland loans, Multifamily Residential Properties, Loans to finance agricultural production and other loans to farmers, Obligations of state and political subdivisions in the U.S. and Loans for purchasing or carrying securities.

Park West Bank and Trust Company is headquartered at 225 Main Street in West Springfield, Massachusetts and is located in a moderate-income census tract. The bank also operates two branches in West Springfield and seven additional full service branches located in Chicopee, East Longmeadow, Feeding Hills, Holyoke, Ludlow, Southwick and Westfield. In addition, the bank has in-store branches in the Big Y supermarket in Chicopee, the Stop and Shop in East Longmeadow and the Big Y in Westfield.

The Holyoke branch is located in a low-income census tract and the Westfield branch is located in a moderate-income census tract. All other branches, including the in-store branches, are located in either middle or upper-income census tracts. ATMs are available at all locations with the exception of the Holyoke branch. In addition, there are two freestanding ATMs located on the Eastern States Fair Grounds in West Springfield. All branches have extended hours on Friday and/or Saturday. In addition, the in-store branches are open on Sundays from 12:00 pm to 5:00 pm.

Park West operates in a very competitive business environment and experiences competition from several financial institutions within its assessment area. These financial institutions include but are not limited to the following: Chicopee Savings Bank; Peoples Savings Bank; Fleet National Bank; United Co-operative Bank; Westfield Savings Bank; Country Bank For Savings; Florence Savings Bank, as well as representatives of regional and national mortgage companies. The market influence from these institutions appears to be significant, and as a result, serves to keep the bank's rates and services offered competitive.

Market share information obtained from PCI Services, Inc. CRA WIZ, based on 1999 aggregate performance data (the most recent data available) indicates that among the 336 lenders in the assessment area the bank was ranked 7th with a 2.80 percent of the market share in total loans originated or purchased within its assessment area. Charter One Bank, F.S.B. was number one in total loans originated or purchased with 3.86 percent of the market share.

The bank's net loan-to-deposit ratio as of March 31, 2001 was 94.2 percent. As of the December 31, 2000 Uniform Bank Performance Report, the bank's net loan to deposit ratio stood at 87.5 percent and compared favorably to the bank's peer ratio of 80.0 percent. Peer banks include all commercial banks between \$300 and \$500 million in assets with at least three branches without regard to regional or state differences.

Park West's net loan to deposit ratio for December 31, 2000 was compared to the ratios of five other area institutions. These percentages range from a low of 71.5 percent to a high of 121.6 percent.

Refer to the following table for details.

INSTITUTION	NET LOAN TO DEPOSIT RATIO
Woronoco Savings Bank	121.6%
Florence Savings Bank	96.0%
United Co-operative Bank	94.2%
Park West Bank & Trust Company	87.4%
The Bank of Western Mass.	79.0%
Easthampton Savings Bank	71.5%

The bank's net loan-to-asset ratio on December 31, 2000 was 76.2 percent. This ratio has fluctuated during the previous three years from a low of 73.3 percent on December 31, 1998 to a high of 77.9 percent on December 31, 1999. This ratio compares favorably to the bank's peer of 66.3 percent on December 31, 2000.

The Division of Banks last examined the bank for compliance with CRA on June 21, 1999. That examination resulted in a "Satisfactory" rating. The Federal Deposit Insurance Corporation (FDIC) last examined the bank for Compliance with the Community

Reinvestment Act on May 8, 2000. That examination also resulted in a rating of “Satisfactory”.

DESCRIPTION OF ASSESSMENT AREA

Overview

The Community Reinvestment Act (CRA) requires financial institutions to define an assessment area within which its CRA performance will be evaluated. The Office of Management and Budget establishes Metropolitan Statistical Areas (MSAs) for statistical reporting purposes by federal agencies. The bank’s assessment area contains 26 cities and towns located in the Springfield MSA.

The assessment area contains 99 census tracts: 12 (12.1 percent) low-income, 13 (13.1 percent) moderate-income, 53 (53.6 percent) middle-income, 19 (19.2 percent) upper-income and 2 (2.0 percent) designated as N/A. The low-income tracts are located in Springfield (8) and Holyoke (4). The moderate-income tracts are located in Springfield (8), Chicopee (2) and one each in Holyoke, Westfield and West Springfield. The tracts designated as N/A are located in Chicopee (Westover Air Reserve Base) and Springfield (Downtown Area) and have no households. Since residential lending opportunities in these areas are not available, these tracts were excluded from the analysis of the bank’s HMDA reportable lending.

Housing information obtained from CRA WIZ, based on 1990 census data, indicated that there are 201,142 housing units within the assessment area, of which 58.0 percent are owner-occupied. Refer to the following table for more information.

Geographic Income Category	Percentage					
	Census Tracts	Households	Housing Units	Owner- Occupied	Rental Units	Vacant Units
Low	12.1	9.1	9.3	1.0	7.5	0.8
Moderate	13.1	11.2	11.4	3.7	6.9	0.8
Middle	53.6	60.8	60.7	37.7	20.0	3.0
Upper	19.2	18.9	18.6	15.6	2.4	0.6
N/A	2.0	0.0				
Total	100.0	100.0	100.0	58.0	36.8	5.2

Source: 1990 U.S. Census

The bank’s assessment area contains a total population of 512,210 individuals. In addition to the assessment area as a whole, demographic data on the individual city and towns was also compiled. Assessment area housing data, based on 1990 Census Data, indicates that the median home value is \$140,400, and ranges from a low of \$99,000 in the Town of Chester to a high of \$209,300 in the Town of Longmeadow. The same data indicates that 74.8% of the occupied units in the assessment area are owner-occupied.

Holyoke has the lowest owner-occupancy rate at 38.9 percent and Montgomery has the highest at 96.4 percent. The 1999, 2000 and 2001 HUD estimated median family incomes in the Springfield Metropolitan Statistical Area (MSA) are \$46,400, \$47,500 and \$49,700, respectively.

As part of the examination, community contacts are conducted by examiners to determine if there are any areas in need of assistance from local institutions, and to verify if the institutions are meeting the credit needs of the community. Two community contacts conducted during the examination provided relevant information on the assessment area. The contacts were conducted in Chicopee and Holyoke and included an organization whose primary goal is to sustain economic development and quality job growth throughout western Massachusetts and an organization whose primary goal is to provide affordable housing.

The localities within the assessment area are largely rural in nature, with the exception of the Cities of Chicopee, Holyoke, Springfield and Westfield which, are the largest municipalities in the assessment area. Further information on these municipalities and the Town of West Springfield is detailed below.

The City of Chicopee

Chicopee, which is located in Hampden County, is a diverse urban community which serves as the home of Westover Air force Base. Chicopee is the home of two of the bank's branches including one of the in-store branches. The city is particularly well served for transportation, boasting two airports, the Boston and Main Railroad and regular long distance as well as local bus service. This supports a strong industrial base, which manufactures sporting goods, textiles, beverages, paper, office supplies and the eastern edition of the Wall Street Journal. Westover Air Force Base is a key part of the local economy, employing about 1,000 local residents.

The City of Holyoke

Holyoke is the home of one of the bank's branches and is located in Hampden County by the Connecticut River. Owing to the city's excellent location at the junction of Routes I-90 and I-91, the reuse of many buildings has proved to be economically feasible.

The City of Springfield

Springfield, which is located in Hampden County, is a major urban industrial center of metropolitan status at the junction of regional routes between Boston and New York. The city lies in the Connecticut River Valley.

The City of Westfield

Westfield, which is located in Hampden County in the heart of western Massachusetts is the home of two of the bank's branches including one of the in-store branches.

The Town of West Springfield

West Springfield, which is located in Hampden County, is home to the bank's headquarters and two of its branches. The town's biggest tourist attraction is the Eastern States Exposition, which hosts a state fair for the entire New England region in September.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The institution's Lending Test performance was rated an overall "**Satisfactory**." The institution's lending efforts are rated under seven performance criteria: Lending Activity, Geographic Distribution, Borrower Characteristics, Community Development Lending, Innovative or Flexible Lending Practices, Fair Lending, and Loss of Affordable Housing. The following information details the data compiled and reviewed, as well as conclusions on the bank's performance.

Scope of Evaluation

The lending test evaluates an institution's record of helping to meet the credit needs of its assessment area based on an analysis of its residential mortgages, small business loans, and community development loans. Residential mortgage loans originated during 1999, 2000, and year-to-date March 30, 2001 were included in the bank's performance. Small business loans originated during 1999, 2000, and year-to-date May 31, 2001 were also included in the bank's performance.

The data used to evaluate the bank's lending was derived from the HMDA/LAR (Home Mortgage Disclosure Act (Loan Application Register) and the bank's CRA Disclosure Statement.

I. Lending Activity

Park West's lending activity and record of extending credit were reviewed during the course of the examination. Park West had total assets of \$409 million as of March 31, 2001. Net loans total \$315 million or 77.0 percent of total assets. Lending, on one-to-four family properties constitutes the largest portion of the bank's loan portfolio followed by commercial loans and commercial real estate loans.

The following table compares the net loan-to-asset ratio of Park West with five other similar sized institutions in the assessment area. The net loan-to-asset ratios ranged from 60.2 percent to 78.9 percent on December 31, 2000. Park West's net loan-to-asset ratio of 76.3 percent, compares favorably to these other institutions and is indicative of its willingness to extend credit within the assessment area. Refer to the following table for further information.

INSTITUTION	NET LOAN-TO-ASSET RATIO 12/31/00
Florence Savings Bank	78.9
United Co-operative Bank	78.6
Park West	76.3
The Bank of Western Mass.	70.1
Woronoco Savings Bank	63.3
Easthampton Savings Bank	60.2

The bank's net loans and leases as a percent of assets, as reported in the December 31, 2000, Uniform Bank Performance Report (UBPR), was 76.4 percent. The peer group's net loan to asset ratio was 66.9 percent, placing the bank in the 83rd percentile. The bank's ratio is higher than peer, however, it should be noted that the UBPR determines a peer ratio based on similarly sized banks nationwide without regard to regional or state differences.

Park West's Loan Application Registers (LARs) were reviewed to determine the amount of credit extended within the bank's assessment area. During this period, the bank originated and purchased 793 HMDA-reportable loans totaling \$83 million. Of this amount, 643 loans, or 81.1 percent of the number totaling \$64 million or 77.8 percent of the dollar volume were originated and purchased in the bank's assessment area.

By number, Agawam, accounted for the largest percentage of originations with 11.1 percent, followed by West Springfield with 10.7 percent. Agawam also accounted for the largest percentage of originations by dollar volume with 9.8 percent, followed by West Springfield with 9.5 percent. Refer to the following tables for additional information regarding the bank's HMDA-reportable lending, by both number and dollar volume.

Distribution of Home Mortgage Loans Inside and Outside of the Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollar in Loans (000s)		Number of Loans		Dollars in Loans (000s)	
	#	%	\$	%	#	%	\$	%
1999	467	79.8%	43,097	76.6%	118	20.2%	13,160	23.4%
2000	128	84.8%	16,412	81.0%	23	15.2%	3,849	19.0%
2001	48	84.2%	4,825	77.7%	9	15.8%	1,385	22.3%
Total	643	81.1%	64,334	77.8%	150	18.9%	18,394	22.2%

Source: HMDA/LAR, CRA Wiz – 1999 through March 30, 2001

In 1999, Park West ranked 7th in market share out of 336 HMDA reportable lenders in the assessment area. Park West originated 467 loans in the assessment area giving the bank a 3.0 percent market share. The top three lenders in the assessment area in 1999 were Charter One Bank, F.S.B. with 811 originations and a 5.0 percent share of the market; Countrywide Home Loans with 802 originations and a 5.0 percent share of the

market; and Family Bank F.S.B. with 744 originations and a 4.0 percent share of the market.

Small Business Lending

Park West's Small Business Loan Registers (SBLRs) were reviewed to determine the amount of small business credit extended within the assessment area. For purposes of this loan register, a small business loan is defined as "a loan with an original amount of \$1 million or less that is secured by non-farm nonresidential properties; or commercial and industrial loans to US addressees, as defined in the FDIC Call Report Instructions." The bank originated 830 small business loans totaling \$47.5 million during the period January 1, 1999 through May 31, 2001. A total of 791 loans totaling \$44.4 million were originated to businesses within the bank's assessment area, representing 95.3 percent by number and 93.3 percent by dollar volume. Please refer to the following table detailing the distribution of small business loans inside and outside the assessment area.

Distribution of Small Business Loans Inside and Outside of the Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollars in Loans (000s)		Number of Loans		Dollars in Loans (000s)	
	#	%	\$	%	#	%	\$	%
1999	343	95.8%	22,773	97.6%	15	4.2%	559	2.4%
2000	320	95.5%	13,546	87.8%	15	4.5%	1,879	12.2%
2001	128	93.4%	8,065	91.7%	9	6.6%	733	8.3%
Total	791	95.3%	44,384	93.3%	39	4.7%	3,171	6.7%

Source: CRA Data Collection – 1999 through May 31, 2001

The bank's distribution of residential and small business loans inside the assessment area is considered good.

II. Geographic Distribution

HMDA-Reportable Loans

The HMDA-reportable and small business loans located within the bank's assessment area were further analyzed to determine their location by census tract income level. The assessment area is comprised of 99 census tracts: 12 or 12.1 percent are low-income; 13 or 13.1 percent are moderate-income; 53 or 53.6 percent are middle-income; 19 or 19.2 percent are upper-income; and 2 or 2.0 percent are NA tracts.

The two census tracts designated as NA were not used to evaluate the bank's performance in this category because of the lack of residential lending opportunities as described in the performance context.

The following table provides a breakdown by number of the bank's HMDA-reportable loans within its assessment area according to census tract income level. The table also shows the number of loans in comparison to the number of owner-occupied housing units in each census tract income category.

Distribution of HMDA Loans by Income Category of the Census Tract									
Census Tract Income Level	% Total Owner-Occupied Housing Units	1999		2000		2001		Total	
		#	%	#	%	#	%	#	%
Low	1.8%	1	0.2%	1	0.8%	0	0.0%	2	0.3%
Moderate	6.3%	12	2.6%	0	0.0%	1	2.1%	13	2.0%
Middle	65.0%	260	55.7%	64	50.0%	30	62.5%	354	55.1%
Upper	26.9%	194	41.5%	63	49.2%	17	35.4%	274	42.6%
Total	100.0%	467	100.0%	128	100.0%	48	100.0%	643	100.0%

Source: U.S. Census, HMDA LAR – 1999 through March 302001,

As shown in the above table, 0.3 percent of the bank's total loans were within low-income census tracts and 2.0 percent within moderate-income census tracts. When the lending activity in these census tracts is compared to the percentage of owner-occupied housing units in the assessment area, it is apparent that the distribution falls below the percentage of available housing units. While these percentages are low, the percentage of owner-occupied housing units in low and moderate-income areas is also relatively small, so there are limited lending opportunities present. In addition, the above data shows that the amount and number of loans in middle and upper-income census tracts is also not proportionate to the amount of owner-occupied properties in these areas. The lending pattern displays a heavy concentration of mortgage lending in upper-income tracts. While only 26.9 percent of owner-occupied units within the assessment area are located in upper-income census tracts, 41.5 percent of Park West's mortgage lending is concentrated in upper-income census tracts. Further, as noted previously, upper-income census tracts account for only 19.0 percent of the tracts in the bank's assessment area.

The geographic distribution of the residential loans by census tract income category was also compared to that of all other HMDA-reporting lenders in the assessment area. Other HMDA-reporters include bank and non-bank entities such as large national banking companies, other local banks, credit unions and mortgage companies. The most recent data available for this analysis relates to calendar year 1999 and is presented in the following table.

Distribution of HMDA Reportable Loans Park West Compared to All Other Reporters								
Census Tract Income Level	Number of Loans				Dollar Amount of Loans			
	Park West		All Other Reporters		Park West		All Other Reporters	
	#	%	#	%	\$(000)	%	\$(000)	%
Low	1	0.2%	412	2.5%	65	0.2%	21,384	1.5%
Moderate	12	2.6%	1,118	6.9%	727	1.7%	71,624	5.0%
Middle	260	55.7%	10,153	62.6%	21,361	49.6%	820,932	56.8%
Upper	194	41.5%	4,529	27.9%	20,944	48.5%	528,112	36.6%
NA	-	-	15	0.1%	-	-	2,587	0.1%
Total	467	100.0%	16,227	100.0%	43,097	100.0%	1,444,639	100.0%

Source: 1999 HMDA Aggregate Data

As demonstrated above, the percentage of the bank's lending in low-income census tracts is below that of the aggregate in number and dollar amount. The percentage of Park West's lending activity in low-income census tracts was 0.2 percent by number and by dollar amount in 1999. In comparison, the aggregate originated 2.5 percent by number and 1.5 percent by dollar amount in low-income census tracts. In addition, the bank's percentage of lending in moderate-income census tracts by both number and dollar amount is below the aggregate. The bank's percentage of lending activity in moderate-income tracts was 2.6 percent by number and 1.7 percent by dollar amount in 1999. In comparison, the aggregate originated 6.9 percent by number and 5.0 percent by dollar amount in moderate-income census tracts.

In 1999, the bank ranked 32nd in lending to low and moderate-income areas. The top three lenders in the assessment area in 1999 were NationsCredit Financial Services; Family Bank, FSB; and Option One Mortgage.

Small Business Lending

Park West's small business loans were analyzed to determine the distribution by census tract income level within its assessment area.

The following tables depict this distribution.

Distribution of Small Business Loans by Income Category of the Census Tract								
Census Tract Income Level	1999		2000		2001		Total	
	#	%	#	%	#	%	#	%
Low	23	6.7%	15	4.7%	8	6.3%	46	5.8%
Moderate	51	14.9%	34	10.6%	14	10.9%	99	12.5%
Middle	192	56.0%	198	61.9%	68	53.1%	458	57.9%
Upper	77	22.4%	73	22.8%	38	29.7%	188	23.8%
Total	343	100.0%	320	100.0%	128	100.0%	791	100.0%

Source: CRA data collection – 1999 through May 31, 2001

As shown above, the majority of small business loans were made in middle-income census tracts, which is proportionate to the make-up of the assessment area.

Based on the above information, the bank's distribution of small business loans by census tract income level is adequate while the distribution of HMDA-reportable loans is marginally adequate.

III. Borrower Characteristics

HMDA-Reportable Loans

The bank's residential loans were further analyzed to determine the distribution of lending by borrower income level. Borrowers' reported incomes were compared to the median family income of the Springfield Metropolitan Statistical Area (MSA). These income figures are based on estimated Department of Housing and Urban Development (HUD) information. The estimated incomes for the Springfield MSA for 1999, 2000, and 2001 were \$46,400, \$47,500 and \$49,700, respectively.

Low-income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the median family income level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income. The following table shows the number of HMDA-reportable loans granted to low, moderate, middle and upper-income borrowers in comparison to the number of households in the assessment area in each respective income group.

Distribution of HMDA Loans by Borrower Income									
Median Family Income Level	% Total House holds	1999		2000		2001		Total	
		#	%	#	%	#	%	#	%
Low	25.4%	8	1.7%	4	3.1%	0	0.0%	12	1.9%
Moderate	14.7%	55	11.8%	20	15.6%	6	12.5%	81	12.6%
Middle	19.4%	105	22.5%	27	21.1%	16	33.3%	148	23.0%
Upper	40.5%	296	63.4%	77	60.2%	26	54.2%	399	62.1%
NA	-	3	0.6%	0	0.0%	0	0.0%	3	0.4%
Total	100.0%	467	100.0%	128	100.0%	48	100.0%	643	100.0%

Source: U.S. Census, HMDA LAR – 1999 through March 30, 2001

The bank extended 12 loans to low-income borrowers representing 1.9 percent of total loans within the assessment area. These loans represent 0.6 percent by dollar amount of the total loans originated within the assessment area during this period. This is substantially less than the 25.4 percent of low-income households within the assessment area. However, there are mitigating factors present that account for this disparity such as the percentage of people living below the poverty level who cannot afford home ownership.

In addition, the bank extended 81 loans to moderate-income borrowers, representing 12.6 percent by number as shown above. These loans represent 7.3 percent by dollar amount of the bank's total originations within its assessment area. The percentage of loans is below the 14.7 percent of moderate-income households within the assessment area.

The distribution of the bank's loans among various borrower income levels was also compared to that of all other HMDA-reporting lenders in the assessment area. As previously mentioned, other HMDA-reporters include bank and non-bank entities such as large national banking companies, other local banks, credit unions and mortgage companies. The most recent data available for this analysis relates to calendar year 1999 and is presented in the following table.

Distribution of HMDA Reportable Loans Park West Compared to All Other Reporters								
Borrower Income Level	Number of Loans				Dollar Amount of Loans			
	Park West		All Other Reporters		Park West		All Other Reporters	
	#	%	#	%	\$(000)	%	\$(000)	%
Low	8	1.7%	796	4.9%	325	0.8%	37,646	2.6%
Moderate	55	11.8%	2,950	18.2%	3,155	7.3%	194,827	13.5%
Middle	105	22.5%	4,147	25.6%	7,923	18.4%	331,533	22.9%
Upper	296	63.4%	5,867	36.2%	31,371	72.8%	659,766	45.7%
NA	3	0.6%	2,467	15.1%	323	0.7%	220,867	15.3%
Total	467	100.0%	16,227	100.0%	43,097	100.0%	1,444,639	100.0%

Source: 1999 HMDA Aggregate Data

The distribution of the bank's residential loans to low-income borrowers is below that of all other HMDA-reporters within the assessment area. As shown above, the bank's percentage of lending to borrowers of low-income falls below the aggregate by number and dollar amount for 1999. The bank originated 1.7 percent by number and 0.8 percent by dollar amount of the total loans within the assessment area to borrowers of low-income, compared to the aggregate with 4.9 percent by number and 2.6 percent by dollar amount.

The bank's HMDA-reportable loans to moderate-income borrowers accounted for 11.8 percent by number and 7.3 percent by dollar amount within the assessment area. Both number and dollar amount are below that of the aggregate. When considering both the percentage of households and the aggregate lending rates, Park West's lending is heavily weighted to upper-income borrowers.

Park West ranked 22nd in market share in lending to low and moderate-income individuals in the assessment area in 1999. The bank originated 63 loans to low and moderate-income borrowers capturing 1.7 percent of the market. The top 3 lenders to low and moderate-income borrowers were Family Bank, FSB; Countrywide Home Loans; and Fleet National Bank.

Small Business Lending

The small business loans originated within the bank's assessment area were further analyzed to determine the loan amounts at origination. The majority of the 791 small business loans originated in the bank's assessment area during the period reviewed had original loan amounts of \$100,000 or less. The following table depicts the distribution of small business loans within the bank's assessment area by loan amount at origination.

Distribution of Small Business Loans by Loan Size								
Loan Size (000s)	1999		2000		2001		Total	
	#	%	#	%	#	%	#	%
< \$100	288	84.0%	296	92.5%	107	83.6%	691	87.4%
\$100 - \$250	36	10.5%	17	5.3%	13	10.2%	66	8.3%
> \$250 - \$1,000	19	5.5%	7	2.2%	8	6.2%	34	4.3%
Total	343	100.0%	320	100.0%	128	100.0%	791	100.0%

Source: CRA Data Collection – 1999 through May 31, 2001

By dollar amount, 44.7 percent of the loans were for amounts less than or equal to \$100,000 and 25.3 percent were for amounts between \$100,000 and \$250,000. The remaining 30.0 percent were for amounts greater than \$250,000.

Small business loans originated within the bank's assessment area were also analyzed to determine the distribution among businesses of various sizes. Of small business loans originated during this period, 49.1 percent were granted to small businesses with annual revenues of \$1 million or less. The following tables depict the distribution of small business loans within the bank's assessment area by revenues of the business.

Distribution of Small Business Loans by Gross Annual Revenues of Business								
Gross Annual Revenues (000s)	1999		2000		2001		Total	
	#	%	#	%	#	%	#	%
<= \$1,000	176	51.3%	150	46.9%	62	48.4%	388	49.1%
> \$1,000	167	48.7%	170	53.1%	66	51.6%	403	50.9%
Total	343	100.0%	320	100.0%	128	100.0%	791	100.0%

Source: CRA Data Collection – 1999 through May 31, 2001

Based on the information above, the bank's lending to borrowers of different income levels reflects weak performance while lending to businesses of various sizes reflects adequate performance.

IV. Community Development Lending

Park West Bank has granted four qualified community development loans totaling \$4,166,223. As defined in the CRA regulation, a community development loan has as its primary purpose: affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that

promote economic development by financing small businesses or small farms, or activities that revitalize or stabilize low and moderate-income geographies. In addition, unless it is for a multifamily dwelling (five or more units), the loan must not be reported as a home mortgage or small business loan.

Westover Metropolitan Development Corporation: On April 3, 2000, the bank made a loan to this corporation in the amount of \$300,000 to be used to accommodate a public safety agency. The Westover Metropolitan Development Corporation was founded in 1974 as a non-profit corporation, in cooperation with the city of Chicopee and the Town of Ludlow, for the purpose of aiding private enterprise in redeveloping lands formerly part of Westover Air Force Base in Chicopee and Ludlow, MA. The goal is the conversion of land and or facilities to non-military uses, including industrial, commercial and manufacturing. Revenue is derived from airport operations and industrial and commercial rental income. The company also receives landing fees from the operation of the Westover airport facility.

Holyoke Health Center (HHC): The bank provided this organization with two loans totaling \$2,508,000 and \$1,322,450. The purpose of the loans is to purchase one building and to rehabilitate an additional building. The additional money will be used to fund equipment purchases and soft costs associated with the purchase of the building. The loans carry an 80 percent guarantee from the Bureau of Primary Health Care and involve a 50 percent participation with Life Initiative. Holyoke Health Center is a state and federal approved/licensed community health center which serves the poor that are under-insured or uninsured. The non-profit corporation currently operates four centers located in the Western part of the state. HHC employs doctors and dentists who are community minded doctors not employed by neighboring hospitals.

In addition, the bank provided a \$35,773 vehicle loan to a non-profit corporation, which acts as a drug and alcohol rehabilitation center and provides meals during the holiday season.

V. Innovative or Flexible Lending Practices

Park West offers flexible loan programs aimed at meeting the credit needs of low and moderate-income homebuyers and small businesses. The following is a description of these programs.

In-house First Time Homebuyer: The bank has committed \$1,000,000 to an Affordable First-Time Homebuyer's Program. The program offers 30-year fixed rate mortgages to low and moderate-income borrowers and covers the purchase of single or two family homes and condominiums. Of the required 3.0 percent downpayment, 1.0 percent must be from the borrower's own funds. There are no points and the bank will absorb closing costs. Pre-purchase counseling is required. In 2000, the year the program was initiated, the bank originated 7 loans totaling \$544,550. The bank has made one loan totaling \$60,900 as of June 2001.

Government-Sponsored Loan Programs

Federal National Mortgage Association (FNMA): ParkWest offers FNMA first-time homebuyer products, including both fixed rates, with 15 and 30-year maturities, and 5/1 adjustable rate mortgages (ARMs). The ARMs have 2.0 percent annual and 6.0 percent lifetime rate caps. Both programs offer terms including no points and low down payments. During 2000, the bank originated 27 ARMs totaling \$3,220,520. The bank has not originated any ARMs thus far in 2001. The bank originated 15 fixed rate loans totaling \$2,067,687 in 2000 and 8 fixed rate loans totaling \$1,038,900 as of June 2001.

Small Business Lending Programs

SBA Loan Origination (7A): Through the bank's participation with the SBA, small businesses may obtain loans at or below market rates with little documentation and limited processing time, which makes credit more readily available. The 7a Program offers a variety of loan types to small businesses relying heavily on character and credit history. Participating institutions receive a guarantee on the funds loaned under the program to reduce some of the risk of lending to small businesses. The bank closed 2 loans in 2000 under this program for \$850,000.

SBA Low-Doc Program: The program provides up to a 90 percent SBA guarantee on qualified loans. Generally, the only documentation required is a one-page application, which is generally processed in as little as two or three days. The program focuses primarily on a borrower's character, credit and business experience. The bank closed 2 loans for \$150,000 in 2000 and 3 loans for \$275,000 as of June 2001.

The bank is a participant in the Massachusetts Housing Finance Agency's (MHFA's) first-time homebuyer program. This program offers below market interest rates, a low 3 percent downpayment requirement (with Homebuyer Counseling Program) and liberal debt to income ratios.

The bank offers the SBA 504 program, which provides for direct financing by the SBA of a portion of all small business loans originated under this program. The general loan structure involves 10 percent participation by the small business, 40 percent participation by a community development corporation, and 50 percent participation by the bank. However, there has been little interest shown in this program and the bank has not originated a loan in the past two years.

The bank participates in the Capital Access Program sponsored by the Massachusetts Business Development Corporation. The program is geared to business owners who do not fit the standard bank criteria.

VI. Fair Lending Policies and Practices

The bank's fair lending policy and procedures are comprehensive in nature and address specific areas such as staff training, fair lending procedures, loan application and evaluation process, as well as applicable rules and regulations regarding the Fair Housing Act, the Equal Credit Opportunity Act, the Consumer Protection Act, and the Community Reinvestment Act.

All employees are provided with training appropriate to their job description and their responsibilities in fair lending issues. This includes information regarding both technical requirements as well as the more substantive and subtle issues related to unintentional discrimination and quality of assistance.

The bank's staff volunteers their time to a variety of area community organizations. There are several employees of the bank who speak a second language, which aids individuals, who may not speak English. ParkWest markets its services and products to the community through a variety of mediums including print, television, radio, and through the Internet.

Minority Application Flow

ParkWest's assessment area contains 512,210 individuals, 83,741 or 16.3 percent of whom are minorities. The assessment area's minority population is 0.2 percent Native American, 0.8 percent Asian, 6.4 percent Black, 8.8 percent Hispanic and 0.1 percent Other.

A review of residential loan applications was conducted in order to determine the number of applications the bank received from minorities. The bank received 750 residential loan applications from within its assessment area. During this period, 23 applications or 3.1 percent were received from minorities. The bank originated 18 or 78.3 percent of those applications. Refer to the following table for further details.

PARK WEST'S MINORITY APPLICATION FLOW*								
RACE	BANK 1999		BANK 2000		BANK 2001		BANK TOTAL	
	#	%	#	%	#	%	#	%
Native American	0	0.0%	1	0.7%	0	0.0%	1	0.2%
Asian	3	0.6%	2	1.2%	0	0.0%	5	0.7%
Black	3	0.6%	1	0.7%	0	0.0%	4	0.5%
Hispanic	3	0.6%	3	2.0%	0	0.0%	6	0.8%
Joint	5	0.8%	0	0.0%	2	3.1%	7	0.9%
Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Minority	14	2.6%	7	4.6%	2	3.1%	23	3.1%
White	518	97.4%	142	92.8%	63	96.9%	723	96.4%
NA	0	0.0%	4	2.6%	0	0.0%	4	0.5%
Total	532	100.0%	153	100.0%	65	100.0%	750	100.0%

*Source: PCI Services, Inc., CRA Wiz Software. 1999 through March 30, 2001

The bank's minority application flow falls below the racial composition of its assessment area.

An analysis was also performed comparing the bank's application flow levels in 1999 to all other HMDA-reporting lenders throughout the assessment area. This data indicated that the bank received 2.6 percent of its applications from minority applicants compared to 12.2 percent for all other lenders.

MINORITY APPLICATION FLOW*				
RACE	AGGREGATE DATA 1999		BANK 1999	
	#	%	#	%
Native American	57	0.2%	0	0.0%
Asian	171	0.6%	3	0.6%
Black	1,248	4.7%	3	0.6%
Hispanic	1,363	5.1%	3	0.6%
Joint	257	1.0%	5	0.8%
Other	186	0.6%	0	0.0%
Total Minority	3,282	12.2%	14	2.6%
White	15,812	59.0%	518	97.4%
NA	7,726	28.8%	0	0.0%
Total	26,820	100.0%	532	100.0%

*Source: PCI Services, Inc., CRA Wiz Software.

Park West's minority application flow for this period was compared with the racial make-up of the assessment area and the 1999 aggregate data for all HMDA reporters within the assessment area. The comparison of this data assists in deriving reasonable expectations for the institution's minority application flow.

Aggregate data for 1999 indicates that, of the 26,820 HMDA-reportable applications received by all other lenders within the bank's assessment area in 1999, 12.2 percent were from minorities: 0.2 percent from American Indians, 0.6 percent from Asians, 4.7 percent from Blacks, 5.1 percent from Hispanics, 1.0 percent Joint applicants and 0.6 percent from Other Minorities. The bank received 532 applications during the same period. Of these, 2.6 percent were from minorities 0.6 percent from Asians, 0.6 percent from Blacks, 0.6 percent from Hispanics, and 0.8 percent from Joint applicants.

Park West Bank and Trust's minority application flow when compared to the other lenders within the assessment area is substantially below the aggregate.

VII. Loss of Affordable Housing

The bank's participation in community development lending projects and government lending programs, along with its development of credit products with flexible lending criteria has assisted low and moderate-income individuals and small businesses to remain in their neighborhoods.

Conclusion – Lending Test

Taking into account the number and amount of home mortgage loans and small business loans, Park West Bank has demonstrated adequate responsiveness to area credit needs. A majority of the bank's loans were made within its assessment area. The bank's small business lending indicates that the bank is meeting the credit needs of smaller-sized businesses within its assessment area. The bank's distribution of residential loans among borrowers and geographies of different income levels is somewhat weak. The bank has demonstrated a good level of community development lending. The bank offers a number of flexible-lending programs designed to assist low and moderate-income borrowers and small businesses. Finally, the bank's fair lending performance was deemed adequate. Based on the above information, the bank's performance under the lending test is rated "Satisfactory".

INVESTMENT TEST

As defined under the CRA regulation, a qualified investment is a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes affordable housing for low and moderate-income individuals, community services targeted to low and moderate-income individuals, activities that promote economic development by financing small businesses or small farms, and activities that revitalize or stabilize low and moderate-income geographies. In recognition of the many legal limitations on bank investments, and the long-term nature and complexity of many community development investments, the CRA regulation allows some reasonable consideration for the entire bank portfolio of qualified investments, not just those made since the previous CRA examination.

Park West's qualified investments indicate a marginally adequate responsiveness to its assessment area's credit and economic development needs. The bank's investment portfolio totals approximately \$71 million and comprises only 17 percent of total assets. These investments consist primarily of Government Agency securities and other marketable securities, and include one that is considered a qualified investment for CRA purposes. In addition, in response to the credit needs within its assessment area, the bank supports various organizations through charitable contributions.

Investments

Government National Mortgage Association (GNMA): On November 18, 1998 the bank purchased a GNMA mortgage backed security for \$205,700. The original face amount of this security is \$202,474. This investment is a pool of two 30 year fixed rate loans that were originated within the bank's assessment area to low and moderate-income borrowers. The book value of this investment, as of May 31, 2001, is \$178,964

Government National Mortgage Association (GNMA): On February 18, 2001 the bank purchased two GNMA mortgage backed securities for \$237,465. The original face amount of these securities is \$236,407. This investment is a pool of three 30 year fixed rate loans that were originated within the bank's assessment area to low and moderate-income borrowers. The current book value of this investment is \$172,612

CHARITABLE CONTRIBUTIONS

Although not particularly innovative or complex, the level of donations made to organizations that serve low and moderate-income individuals reflects a marginally adequate level of responsiveness to credit and community economic development needs.

The bank has provided contributions to organizations that provide education and training, affordable housing, youth programs, and health and human services for individuals in need. In 2000, the bank provided \$122,034 in charitable contributions, of which \$25,207 or 20.7 percent are considered CRA qualified contributions. As of May 31, 2001, the

bank had contributions totaling \$23,740, of which \$7,674 or 32.3 percent went to community organizations for community development purposes. The following are examples of the organizations receiving these contributions:

- **Economic Development Council of Western Massachusetts:** This organization serves to consolidate and coordinate the public and private economic development efforts of Hamden, Hampshire and Franklin counties. The Board of this Council is comprised of business leaders from Springfield and the surrounding communities as well as the mayors from six cities and towns. The primary focus is to encourage new businesses to consider locating in the greater Springfield area and to promote the economic well being of the community at large.
- **Sunshine Village:** This non-profit organization is located in Chicopee, MA. and provides employment to many adults from surrounding communities who are physically and/or mentally handicapped.
- **Boys and Girls Club of Holyoke/West Springfield/Ludlow:** These are non-profit organizations, which operate facilities where children, many of whom are from low and moderate income families, can participate in a variety of recreational activities in a secure, supervised environment.
- **Brightside for Children:** This non-profit organization is located in West Springfield, MA. This private agency serves as an adoption agency and provides foster care living environments for young children and adolescents, many of whom come from low to moderate-income households.

Conclusion - Investment Test

Overall, the bank has made a marginally acceptable level of qualified community development investments. Given the bank's size and capacity, the bank has exhibited a reasonable responsiveness to credit and community economic development needs. Therefore, based on the above factors the bank's investment performance receives a rating of "Satisfactory".

SERVICE TEST

The Service Test evaluates an institution's record of meeting the credit needs of its assessment area(s) by analyzing the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's systems for delivering retail-banking services are reasonably accessible to geographies and individuals of all income levels in its assessment area. The bank's services do not vary in a way that inconveniences its assessment area, particularly low and moderate-income census tracts and low and moderate-income individuals. Park

West Bank's directors, officers and staff provide an adequate level of community development services through involvement in several community organizations.

RETAIL BANKING SERVICES

Park West operates a main office, nine full service branch offices, three supermarket branches (full service) and two freestanding ATMs. The main office/corporate headquarters located at 225 Park Avenue, West Springfield is situated within a moderate-income census tract. The branch offices at 10 Broad Street, Westfield and at 378 High Street, Holyoke are situated within a moderate and low-income census tract, respectively.

There are six full service and three supermarket branches situated within middle income geographies. The office at 6 Somers Road, East Longmeadow is within an upper income geography. Park West relocated its Westfield supermarket branch to a new location in the Big "Y" supermarket in October 2000. There were no branch offices closed.

The bank's hours of operation are considered convenient and comparable to other local institutions. All offices provide extended hours on Thursday and/or Friday evenings and on Saturday morning. The Holyoke office however, does not offer Saturday hours. The supermarket branches offer extended hours daily and are open on Sundays. All

offices, except Downtown Holyoke, provide 24-hour ATM service with network access. The two freestanding ATMs are located in a moderate-income tract at the Better Living Center on the Eastern States Exposition grounds.

The bank offers a free checking account and a linked/companion statement savings account, which meet the guidelines of the Massachusetts Community and Banking Council's (MCBC's) Basic Banking for Massachusetts program. There is no minimum balance requirement to open the account and to avoid a monthly fee. However, a \$1 minimum balance is needed in each account to keep the account active. There are no ATM transaction fees if a bank owned ATM is utilized. The checking account offers a free debit card.

Park West's telephone banking system WesTel provides 24 hour 7 day account access. WesTel utilizes a touch-tone service that allows customers to access current balance and transaction information and transfer funds between accounts. In addition, the bank's Westlink online banking service is offered via its web site at www.westbankonline.com. Westlink offers both a home banking and a bill paying service. West Bank will charge a monthly fee of \$4.95 for the bill paying service after a free 90-day trial period. Loan rates, deposit rates, product information, and office locations and hours are also available via both the online and telephone banking systems.

The Massachusetts Interest on Lawyers Trust Accounts (IOLTA) Committee designated Park West as an "Honor Roll Bank" in the year 2000. This award is given to banks whose account policies help to create increased funding for the IOLTA program. Under this program, the interest earned on funds held by attorneys is utilized to support various legal

service agencies for low-income individuals. The bank remitted a total of \$35,150 during 2000 and YTD May 31, 2001 to the IOLTA program.

COMMUNITY DEVELOPMENT SERVICES

The CRA regulation defines a community development service as a service whose primary purpose is community development and is related to the provision of financial services. Park West's directors and officers lend their expertise to local organizations that address community development needs. Detailed below are the bank's qualified community development services.

- **Greater Holyoke Community Development Corporation:** This non-profit organization's mission is to promote "community economic development" by strengthening the economic potential of low and moderate-income residents within the City of Holyoke. The CDC's major programs include business development and training, self-sufficiency supports (welfare to work) and family savings plan (Individual Development Accounts/IDA's) combined with economic literacy training. The senior vice president for commercial lending serves as president of the board of directors.
- **Chicopee Chamber of Commerce:** The senior lending officer serves on a loan review committee operated by the Chamber. The committee reviews the loan eligibility of new or expanding business applicants for financing under the City of Chicopee's Community Development Block Grant (CBDG) program(s).
- **Economic Development Council of Western Massachusetts (EDC):** This organization is a private non-profit corporation and a collaborative effort of public and private sector leaders founded in 1996. The organization's mission is "to stimulate a competitive regional economy that generates economic development and quality job growth". The bank's president and one of its directors serve as board members of the EDC.
- **Westover Metropolitan Development Corporation:** The bank's president and one of its directors serve on the board of directors of this organization. This authority, established by the Massachusetts legislature in 1974, has been the primary developer of the former Westover military base in Chicopee for private industrial and residential use. The Air Force Reserve's Westover airbase, combined with the industrial parks of Airpark West and Airpark North have become important contributors to the local economy of the City of Chicopee and to the surrounding communities.
- **Sunshine Village:** Sunshine Village is a non-profit corporation providing employment services to mentally handicapped adults. A senior vice president of the bank serves as treasurer for this organization. Sunshine Village provides contractual workshops both in their own facilities and on employer job sites.

- **Prevent, Inc, (D/B/A) the “Honor Court”**, Prevent, Inc. runs a successful residential work/treatment program for people with substance and alcohol abuse problems. The program serves individuals who have faced prior incarceration and is an alternative to being re-incarcerated. Prevent, Inc.’s residential sites are scattered throughout the Pioneer Valley from Greenfield to Springfield. A bank vice president was elected as a director in May 2001 and is also serving as the organization’s treasurer.
- **Façade Improvement Committee – City of Holyoke**: This committee is administered through the Mayor’s office, and is targeted to businesses located in downtown Holyoke, a low-income census tract. The committee reviews applications and the business improvement plans. Qualified applicants can receive up to 50 percent of the project cost as a grant. A vice president of commercial lending serves on the Façade Improvement Committee.
- **Boys and Girls Club of Greater Holyoke**: The Boys and Girls Club is located in downtown Holyoke with satellite locations in several public housing facilities. This non-profit youth organization targets its programs to Holyoke’s low-income neighborhoods, in an effort to provide alternatives for inner city youths. A vice president of the bank serves as a member of the board of directors.

Educational Services and Seminars

The Community Reinvestment Act (CRA) regulation considers credit and other financial education services as a community development service. The following are qualified services under the provisions of the CRA regulation.

- **Hampden Hampshire Housing Partnership (HAP, Inc)**, the non-profit regional housing authority, regularly presents first time homebuyer seminars. In May 2001, Park West sponsored a first- time homebuyer training presented by HAP, Inc. The bank’s vice president for residential lending and two mortgage originators served as presenters.
- **The Affiliated Chambers of Commerce of Greater Springfield, Inc.** coordinated on June 16, 2000, a half-day conference entitled “Money Talks: Is Your Company Listening?” This conference dealt with various aspects of business financing needs and solutions. The bank’s senior vice president for commercial lending presented a case study on financing for manufacturing concerns.

“Savings Makes Cents” School Savings Program: The bank offers this program in one elementary school in the communities of Chicopee, West Springfield, Ludlow, Feeding Hills and Holyoke. A student account is offered to all the students and requires a \$2 minimum to open the account. There is no minimum on subsequent deposits. The Savings Makes Cents program encourages school children to open savings accounts and to get into the habit of saving regularly.

CONCLUSION - Service Test

Park West's performance under the service test is considered to be "Satisfactory". The bank through its officers and staff provides a reasonable level of community development services by lending financial expertise to economic development, affordable housing and community service organizations. The bank's delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment area.

APPENDIX A

SCOPE OF EXAMINATION

Park West has one assessment area, which was reviewed using the examination procedures for large institutions. There are twenty-six cities and towns in the assessment area. All cities and towns are located in the Springfield Metropolitan Statistical Area (MSA).

The CRA evaluation included HMDA-reportable loans and small business loans. The time period used was January 1, 1999 to March 31, 2001 for HMDA-reportable loans and January 1, 1999 to May 31, 2001 for small business loans. All loans recorded on the 1999, 2000 and year-to-date 2001 HMDA/LAR were included in the evaluation of the bank's lending performance. In addition, all loans recorded on the 1999, 2000 and year-to-date 2001 Small Business Loan Register (as defined under the data collection requirements of the CRA regulation) were included in the evaluation of the bank's lending performance.

The bank's qualified investments were also reviewed under the large institution examination procedures

In addition, the bank's systems for delivering retail banking services and the provision of community development services were considered.

Comparative data for the assessment area obtained from CRA WIZ was reviewed during the examination. The examination also included a review of the bank's Public File, which contained no negative CRA-related comments.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

PARK WEST BANK AND TRUST COMPANY

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **JUNE 21, 2001**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

_____	_____
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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 ____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.